

103^D CONGRESS
1ST SESSION

S. 498

To amend section 365 of title 11, United States Code, relating to protection of assignees of executory contracts and unexpired leases approved by court order in cases reversed on appeal.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 1993

Mr. KOHL introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend section 365 of title 11, United States Code, relating to protection of assignees of executory contracts and unexpired leases approved by court order in cases reversed on appeal.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION. 1. PROTECTION OF ASSIGNEES OF EXECUTORY**
2 **CONTRACTS AND UNEXPIRED LEASES AP-**
3 **PROVED BY COURT ORDER IN CASES RE-**
4 **VERSED ON APPEAL.**

5 Section 365 of title 11, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(p) If the assignment of an executory contract or
9 unexpired lease under this section is approved by the
10 court, the reversal or modification on appeal of the ap-
11 proval or of the assignment does not affect the validity
12 of the assignment to an entity that obtained the assign-
13 ment in good faith, whether or not the entity knew of the
14 pendency of the appeal, unless the assignment was stayed
15 pending appeal.”.

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